

**REMARKS**

In the Office Action dated December 19, 2005, the Examiner rejected claims 44, 109, and 114 under 35 U.S.C. § 112, second paragraph; rejected claims 1-4, 10-13, 19, 20, 22, 25-31, 35-39, 42, 45-50, 56-59, 65, 66, 68, 71-75, 77-80, 86-89, 95, 96, 98, 101-105, 107, 110-112, 115, and 116 under 35 U.S.C. § 102(b) as being anticipated by *Sears* ("Sears Tests Starter Card," Card Fax News Brief); and rejected claims 5-9, 14-18, 21, 23, 24, 32, 34, 40, 41, 43, 44, 51-55, 60-64, 67, 69, 70, 76, 81-85, 90-94, 97, 99-100, 106, 108, 109, 113, 114, and 117 under 35 U.S.C. § 103(a) as being unpatentable over *Sears*.

By this Amendment, Applicants cancel claims 13, 29, 41, 59, and 89 without prejudice or disclaimer, amend claims 1, 10, 28, 37, 47, 56, 77, and 86, and adds new claims 118, 119, and 120. Based on the following remarks, Applicants respectfully traverse the rejections under 35 U.S.C. §§ 112, 102(b), and 103(a).

**I. The Rejections Under 35 U.S.C. § 112, Second Paragraph**

The Examiner asserts the phrase "the second predetermined criteria is not the same as the predetermined criteria," recited in claims 44, 109, and 144 is unclear. Applicants submit that the claim language is clear and no amendment is required. As the language of claims 44, 109, and 114 each indicates, the "second predetermined criteria" recited in the above-identified claims is "not the same as" (i.e., different) than the "predetermined criteria" recited in their respective independent claims. Applicants submit that the plain language of these claims provides adequate description to one of ordinary skill in the art to understand the metes and bounds of the claims.

Additionally, Applicants traverse the Examiner gross misinterpretation of this phrase. The Examiner unreasonably, and improperly, ignores the plain language of the claims by attempting to interpret the phrase to mean “another predefined criteria which may or may not be the same criteria used for the first trial period.” OA at 2. In doing so, the Examiner is unreasonably interpreting the phrase “not the same as” to mean “the same as,” which directly contradicts the plain language of these claims.

Accordingly, Applicants submit that claims 44, 109, and 114 are not ambiguous and are definite, and thus the rejections under 35 U.S.C. § 112, second paragraph should be withdrawn.

## **II. The Rejections Under 35 U.S.C. § 102(b)**

The Examiner asserts that *Sears* teaches all of the recitations of claim 1, including for example, receiving a request for a standard credit account and providing a starter credit account in place of the standard credit account product.

The Examiner suggests that the statement regarding denied applicants by *Sears* discloses receiving a request, as recited in claim 1. This position is incorrect. Nowhere does *Sears* indicate that a request is received for a standard credit card account and in place of a standard credit account product, a starter credit account is provided.

Instead, *Sears* suggests the standard practice of processing (i.e., denying) applicants who did not fit into existing modeling programs, but does not state or even suggest providing a starter credit account in place of the standard credit account requested by the customer. Instead, *Sears* implies a different demographic of applicants may be provided the *Sears* starter card, but does not suggest doing so in place of requests for standard credit accounts. Accordingly, the Examiner has not established a *prima facie*

case of anticipation because *Sears* does not teach each and every recitation of claim 1. Instead, the Examiner's conclusions set forth in the office action are conjecture.

Further, the Examiner is incorrect in asserting *Sears* teaches monitoring activities during a trial period. To allege anticipation, the Examiner relies on the statement in the *Sears* reference that Sears expects new cardholders to pay on time, etc. OA at 3. Not only does this statement not teach monitoring customer's activities — expecting payment is not the same as monitoring for payments, the reference does not mention a trial period for which such monitoring is to take place. Claim 1 recites, *inter alia*, "monitoring the customer's activities associated with the starter credit account during a trial period . . ." This feature is not taught by *Sears*. For at least this additional reason, the Examiner has not established a *prima facie* case of anticipation.

Additionally, *Sears* does not teach upgrading at least one of the starter credit account parameters to match at least one of the standard credit account parameters. To allegedly teach this feature, the Examiner relies again on the statement that "the retailer [i.e. *Sears*] expects most new cardholders to pay on time and eventually have their credit limits raised." OA at 4. This statement, however, does not teach or suggest upgrading a starter credit account parameter to match a standard credit account parameter. For example, if an account parameter is a credit limit, as alleged by the Examiner, *Sears* does not indicate that it raises its starter card credit limit to that of a standard credit account credit limit. As such, the rejection of claim 1 on this basis is improper and should be withdrawn.

Because *Sears* does not teach each and every recitation of claim 1, the rejection of claim 1 under 35 U.S.C. § 102(b) is legally deficient. Accordingly, Applicants request that the rejection be withdrawn and the claim allowed.

Claims 10, 56, and 86, as amended, and claims 37, 47, 76, and 77 each includes recitations similar to those of claim 1. As explained, the cited art does not support the rejection of claim 1. As such, the cited art does not support the rejection of claims 10, 37, 47, 56, 77, and 86 for at least the same reasons set forth in connection with the response to the rejection of claim 1. Applicants therefore request that the rejection of claims 10, 37, 47, 56, 76 77, and 86 be withdrawn and the claims allowed. Further, the cited art does not teach resetting the trial period, as recited in claim 37.

Claims 2-9 depend from claim 1. Claims 11-18 depend from claim 10. Claims 38-41 depend from claim 37. Claims 48-55 depend from claim 47. Claims 57-64 depend from claim 56. Claims 78-85 depend from claim 77. Claims 87-94 depend from claim 86. As explained, the cited art does not support the rejection of claims 1, 10, 37, 47, 56, 77, and 87. As such, the cited art does not support the rejection of the identified dependent claims for at least the same reasons set forth in connection with the response to the rejection of their corresponding independent claims. Applicants therefore request that the rejection of these dependent claims be withdrawn and the claims allowed.

The Examiner also asserts that *Sears* teaches the recitations of claim 19. Applicants disagree. Contrary to the Examiner's assertions, *Sears* does not teach, among other things,

provid[e] a starter credit account to each customer included in the group, wherein parameters associated with each

starter credit account vary based on the rank of each customer;

determin[e] a trial period for each ranked customer;

determin[e], for each ranked customer, a predetermined criteria that the customer must satisfy for the starter credit account parameters to be upgraded; and

for each ranked customer:

determin[e] whether the ranked customer has met the predetermined criteria during the trial period; and

upgrad[e] the account parameters associated with the ranked customer based on the determination,

as recited in claim 19. For instance, the mere fact that *Sears* indicates it is “targeting consumers with very thin and non-existed credit histories” is insufficient to show “parameters associated with each starter credit account vary based on the rank of each customer,” as recited in claim 19. Indeed, nowhere does *Sears* even mention varying parameters based on a rank of a consumer. Accordingly, not only are the Examiner’s conclusions in the Office Action not explicitly supported by the cited art as required for anticipation, they are not supported by any inference from the cited art.

Further, as mentioned above in connection with claim 1, the cited art does not teach or even suggest a trial period, much less determining a trial period for “each ranked customer,” as recited in claim 19. The “training wheels approach” discussed by *Sears* is insufficient to support the Examiner’s position set forth in the Office Action. OA at 6. That is, nowhere has the Examiner shown *Sears* teaches ranking customers, or that a trial period is determined for each ranked customer. Along similar lines, the cited art, and the Examiner, does not show determining predetermined criteria for each ranked customer, as recited in claim 19. Merely stating “on-time payments” are

"expected," as done in the *Sears* reference, ignores these recitations of claim 19.

Additionally, the Examiner is incorrect in alleging the cited art teaches determining, for each ranked customer, whether the ranked customer has met the predetermined criteria during the trial period and upgrading the account parameters associated with the ranked customer based on the determination, because, among other reasons, Sears does not rank its customers and determines predetermined criteria based on the ranking.

Because *Sears* does not teach each and every recitation of claim 19, the rejection of this claim under 35 U.S.C. § 102(b) is legally deficient. Accordingly, Applicants request that the rejection be withdrawn and the claim allowed.

Claims 65 and 95 each includes recitations similar to those of claim 19. As explained, the cited art does not support the rejection of claim 19. As such, the cited art does not support the rejection of claims 65 and 95 for at least the same reasons set forth in connection with the response to the rejection of claim 19. Applicants therefore request that the rejection of claim 65 and 95 be withdrawn and the claims allowed.

Claims 20-27 depend from claim 19. Claims 66-73 depend from claim 65. Claims 96-103 depend from claim 95. As explained, the cited art does not support the rejection of independent claims 19, 65, and 95. As such, the cited art does not support the rejection of claims 20-27, 66-73, and 96-103 for at least the same reasons set forth in connection with the response to their respective independent claims. Applicants therefore request that the rejection of these claims be withdrawn and the claims allowed.

The Examiner is also incorrect in asserting *Sears* teaches the recitations of claims 28 and 29 (collectively now as amended claim 28). The Examiner again loosely

relies on the statement in *Sears* that the store expects customers to pay on time and eventually have their credit limits raised. This expectation in no way discloses basing a third credit limit based on an amount based on a number of on-time payments made by the customer. At most, the statement merely suggests *Sears* expects some on-time payments and having credit limits raised arbitrarily. Thus, in addition to the reasons set forth above in connection with claim 1, and the reasons indicated above, the cited art does not teach or suggest the recitations of claim 28. Therefore, Applicants request the rejection of this claim be withdrawn and the claims allowed.

Claims 74 and 104 each includes recitations similar to those of claim 28. As explained, the cited art does not support the rejection of claim 28. As such, the cited art does not support the rejection of claims 74 and 104 for at least the same reasons set forth in connection with the response to the rejection of claim 28. Applicants therefore request that the rejection of claims 74 and 104 be withdrawn and the claims allowed.

Similarly, the Examiner stretches the sparse disclosure of *Sears* to suggest the references teaches the recitations of claim 30. OA at 9-10. Applicants disagree. Claim 30 includes recitations similar to those of claim 1. As explained, the cited art does not support the rejection of claim 1. As such, the cited art does not support the rejection of claim 30 for at least the same reasons set forth in connection with of claim 1. Further, the Examiner improperly concludes that it is inherent that *Sears* discloses

a first memory for storing credit account information associated with standard credit account customers of the credit issuer; and

a second memory for storing starter credit account information associated with the trial customer,

wherein the credit issuer loads the starter credit account information stored in the second memory into the first memory after the starter credit account parameters associated with the starter credit account have been adjusted based on the determination,

as recited in claim 30. Indeed, the Examiner alleges the “performance based training-wheels” approach disclosed by *Sears* teaches the above recitations. However, the cited art, and the Examiner’s rejection, are completely silent on where such memory features are disclosed in the prior art. As noted in M.P.E.P. § 2131.01,

“To serve as an anticipation when the reference is silent about the asserted inherent characteristic, such gap in the reference may be filled with recourse to extrinsic evidence. Such evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.” *Continental Can Co. USA v. Monsanto Co.*, 948 F.2d 1264, 1268, 20 USPQ2d 1746, 1749 (Fed. Cir. 1991) (The court went on to explain that “this modest flexibility in the rule that ‘anticipation’ requires that every element of the claims appear in a single reference accommodates situations in which the common knowledge of technologists is not recorded in the reference; that is, where technological facts are known to those in the field of the invention, albeit not known to judges.” 948 F.2d at 1268, 20 USPQ at 1749-50.).

Here, not only does the Examiner not show adequately how the recitations of claim 30 are allegedly inherent, the Examiner does not even provide a secondary reference to support the position. Nowhere does *Sears* provide evidence or suggestions that the recitations of claim 30 is inherent. Therefore, the rejection of claim 30 is legally deficient and improper and Applicants request that the rejection be withdrawn and the claim allowed.

Claim 106 includes recitations similar to those of claim 30. As explained, the cited art does not support the rejection of claim 30. As such, the cited art does not

support the rejection of claim 106 for at least the same reasons set forth in connection with the response to the rejection of claim 30. Applicants therefore request that the rejection of claim 106 be withdrawn and the claims allowed.

The Examiner improperly rejects claim 42 for the same reasons set forth for claim 10. OA at 10. While claim 42 includes some recitations similar to claim 10 — and for that reason Applicants assert claim 42 is distinguishable from *Sears* for those same reasons — claim 42 also includes recitations not included in claim 10. For example, claim 42 includes, *inter alia*,

further monitoring the customer's activities associated with the modified starter credit account parameters during a second trial period to determine whether the customer has satisfied second predetermined criteria during the second trial period; and

further modifying the modified starter credit account parameters based on the further monitoring.

As noted above, *Sears* does not teach a trial period. Similarly, the cited art fails to disclose a second trial period where second predetermined criteria is monitored, and modifying the credit account parameters based on the further monitoring, as recited in claim 42. Further, because the Examiner does not address these recitations, the rejection of claim 42 under 35 U.S.C. § 102(b) is legally deficient and should be withdrawn.

Claims 107 and 112 each includes recitations similar to those of claim 42 and, as explained, the cited art does not support the rejection of claim 42. As such, the cited art does not support the rejection of claims 107 and 112 for at least the same reasons set forth in connection with the response to the rejection of claim 42. Applicants therefore request that the rejection of claims 107 and 112 be withdrawn and the claims allowed.

Claims 2-4 depend from claim 1. Claims 11-13 depend from claim 10. Claims 20, 22, 25-27 depend from claim 19. Claims 31, 35, and 36 depend from claim 30. Claims 38 and 39 depend from claim 37. Claim 45 and 46 depend from claim 42. Claims 48 and 49 depend from claim 47. Claims 57-59 depend from claim 56. Claims 66, 68, and 71-73 depend from claim 65. Claim 75 depends from claim 74. Claims 78-80 depend from claim 77. Claims 87-89 depend from claim 86. Claims 96, 98, 101-103 depend from claim 95. Claims 110 and 111 depend from claim 107. Claims 115 and 116 depend from claim 112. As explained, the cited art does not support the rejection of independent claims 1, 10, 19, 30, 37, 42, 47, 56, 65, 74, 77, 86, 95, 107, and 112. As such, the cited art does not support the rejection of the identified dependent claims for at least the same reasons set forth in connection with the rejection of their corresponding independent claims. Applicants therefore request that the rejection of these claims be withdrawn and the claims allowed.

### III. The Rejections Under 35 U.S.C. § 103(a)

Claims 76 and 117 includes recitations similar to claim 28. Claim 106 includes recitations similar to claim 30. As explained, the cited art does not support the rejection of claims 28 and 30. As such, the cited art does not support the rejection of claims 76, 117, and 106 for at least the same reasons set forth in connection with the response to the rejection of claims 28 and 30.

Moreover, *prima facie* obviousness has not been established at least because the requisite motivation to modify *Sears* is lacking. Determinations of obviousness must be supported by evidence in the record. See *In re Zurko*, 258 F.3d 1379, 1386 (Fed. Cir. 2001) (finding that the factual determinations central to the issue of patentability,

including conclusions of obviousness by the Board, must be supported by “substantial evidence”). Further, the desire to combine references must be proved with “substantial evidence” that is a result of a “thorough and searching” factual inquiry. *In re Lee*, 277 F.3d 1338, 1343-1344 (Fed. Cir. 2002) (quoting *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351-52).

In this case, the Office Action does not show that a skilled artisan considering the cited art and not having the benefit of Applicants’ disclosure, would have been motivated to modify *Sears* in a manner resulting in Applicants’ claimed combination. The Examiner alleges that a skilled artisan would have modified *Sears* because “it is well known and common practice . . . to adjust interest rates of customers . . .” OA at 21. This conclusion is not properly supported by the cited art and does not even address the features the Examiner admits is missing from *Sears*. Accordingly, the Examiner’s positions set forth in the Office Action do not show that a skilled artisan would have been motivated to modify the cited art as alleged.

The M.P.E.P. makes clear that: “[t]he mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination.” M.P.E.P. § 2143.01 (citations omitted). Here, the Examiner has not shown that the cited art “suggests the desirability” of the alleged combination. Therefore the conclusions in the Office Action were not reached based on facts gleaned from the cited references and that, instead, teachings of the present application were improperly used in hindsight to reconstruct the prior art. For at least these additional reasons, the Examiner has not established a *prima facie* case of

obviousness with respect to claims 76, 106, and 117, and thus, the rejection of these claims under 35 U.S.C. § 103(a) should be withdrawn.

Claims 5-9 depend from claim 1. Claims 14-18 depend from claim 10. Claims 21, 23, and 24 depend from claim 19. Claims 32 and 34 depend from claim 30. Claims 30 and 41 depend from claim 37. Claim 43 and 44 depend from claim 42. Claims 51-55 depend from claim 47. Claims 60-64 depend from claim 56. Claims 67, 69, and 70 depend from claim 65. Claims 81-85 depend from claim 77. Claims 90-94 depend from claim 86. Claims 97, 99-100 depend from claim 95. Claims 108 and 109 depend from claim 107. Claims 113 and 114 depend from claim 112. As explained, the cited art does not support the rejection of claims 1, 10, 19, 30, 37, 42, 47, 56, 65, 74, 77, 86, 95, 107, and 112. As such, the cited art does not support the rejection of the identified dependent claims for at least the same reasons set forth in connection with the rejection of their corresponding independent claims. Applicants therefore request that the rejection of these claims be withdrawn and the claims allowed.

IV. Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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By: \_\_\_\_\_

  
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